

**CORBETT WATER DISTRICT
REGULAR MEETING OF THE BOARD
March 17, 2009**

Board members present: Jeff Hargens, Victor Schmidt, Sonny Boyd, Robert Gaughan.

Staff present: James Jans, Shanti Kraai.

Audience members present: Robert Colclessor, Gordon Fulks, Malcolm Freund, Robert Telford.

Chairman **Jeff Hargens** called the meeting to order at 6:30 p.m.

APPROVAL OF THE AGENDA

Jeff Hargens would like to add utility worker 1 wage scale as item 10a. **Sonny Boyd** made a motion to approve the agenda as modified, **Robert Gaughan** seconded, passed unanimously.

APPROVAL OF THE MINUTES

Sonny Boyd made a motion to approve the minutes of February 17, 2009 as written, **Robert Gaughan** seconded, passed unanimously.

LEAK ADJUSTMENTS

2-2620-00: This was considered a hardship due to the excessive cost endured by the customer to repair the water line. **Sonny Boyd** made a motion to adjust the January/February billing cycle to equal the highest units used in the previous year, 31 units, **Robert Gaughan** seconded, passed unanimously.

2-7400-00: This customer has had numerous leaks since February 2008. The board does not see adequate reason to view this case as a hardship. **Jeff Hargens** made a motion to issue the standard leak adjustment for the January/February billing cycle, however since there has already been a previous adjustment made on the account for a prior leak, this will be the last adjustment issued on this account, **Robert Gaughan** seconded, passed unanimously.

4-6795-00: Due to the high amount of the water bill caused by a leak, this case is considered a hardship. It was noted that the customer fixed the leak promptly after noticing it. **Sonny Boyd** made a motion to adjust the January/February billing cycle to equal the highest units used in the previous year, 7 units, **Victor Schmidt** seconded, passed unanimously.

PACE ENGINEERING: FUTURE PROJECTS/LOW INTEREST LOANS

Brian Lee from Pace Engineers states that James Jans and himself attended a meeting with representatives from several different funding agencies, including rural utilities, USDA, OECDD, and Safe Water Drinking Revolving Loan Fund. They presented a list of potential capital improvement projects to the funding agencies. We are required to provide a fish passage at south fork, which may require major dam modifications. We also need to improve the raw water pipe line that is identified from the north fork intake all the way down to the water

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PACE ENGINEERING: FUTURE PROJECTS/LOW INTEREST LOANS – (Cont.)

treatment plant, about 10,000 lineal feet of 10” old rusty line that has gotten damaged over the years. Another of the projects outlined was water treatment upgrades as well as two new filter ponds, full automation controls, and to finish the overall plan for the treatment plant. The plan is to build two identical filter basins, however one of them would be split in half, at which point we would have two large ones and two smaller ones. **Victor Schmidt** states that it would be good to have a larger quantity of smaller filter ponds and always be running multiples, so we would never just rely on one unit. The treatment plant is a large project that was included. The next project was hydro-generating pressure reducing vaults. The devereil PRV has the longest drop, about 300 feet, therefore it would be the best place to begin the hydro project.

Rural Development/USDA: The USDA has \$42 million in stimulus money and \$14.5 million in grant funds, on top of their normal \$28 million for low interest loans. To avoid losing this money, they have to allocate 50% of it by June 1, 2009. Currently the average household income in the district is too high to qualify for grant money through USDA. **Brian Lee** states that the low interest loan is our best chance to get funding approval. **Jeff Hargens** states that if we receive another loan, we will have to raise the water rates. **Gordon Fulks** states that the district should only receive a loan for the most crucial projects. If we are successful with the USDA funding, they may choose to seek other funding agencies to partner with.

OECD: Our existing loan is currently with the OECD. There is only \$14 million in grant money for the entire state. Since we did not submit a letter of interest by the deadline, February 2, 2009, we are not on the first tier list. They state that there may be a second round at a later date which we may qualify for if pursued. The community development block grant program has \$3.8 million for grant money in addition to their regular grant money, which is very competitive to receive. The fish ladder is a compliance issue, which may be pushed up on the radar by the OECD.

DEQ: These funds are primarily for waste water.

The next steps would be to decide what level we want to pursue receiving the low interest loan and possible grant money. **Brian Lee** states that if we are to pursue the Rural Development funds, the process to go through is a rate study, a preliminary engineering report, and an environmental assessment. The second round of funding will be approved in August. The letter of intent should be turned in as soon as possible and all other aspects should be completed by June. **Jeff Hargens** states that we should focus on our raw water line, fish passage, and filter pond cell. He states that we should apply for any grants that may be available to us, and try to receive a low interest loan around \$1 million to \$1.5 million. **Victor Schmidt** states that in the next couple of years, our rates will increase due to inflation so we may be able to receive a larger loan. **Jeff Hargens** states to keep in mind that the PERS surcharge will soon be removed, therefore our income will be less. **Brian Lee** states that it will be difficult to receive a grant for a fish ladder since the fish occupying the stream is trout. **Jeff Hargens** would like Pace Engineers to provide a cost estimate for the north and south fork intake, the raw water steel line from the north fork to the treatment plant, and installing an additional cell to the filter pond. A special meeting will be held on March 24, 2009 to review the cost estimate from Pace Engineers.

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COMMISSONER INTERVIEWS

Robert Telford is running for the upcoming Corbett Water District board of director's election. He has previously been a board member of the Corbett Fire District and has experience managing a construction company.

FEE RECOMMENDATIONS

Special Districts Association of Oregon will not review the fee recommendations since there are no limitations on fee structure. However, there is an ORS that needs to be followed for posting the hearing notice. The staff was advised to send the fee recommendations to legal counsel for review. The hearing will be held on May 19, 2009.

METER UPGRADES

James Jans recommends upgrading the meters in the district to Sensus SR touch reads over a 5 year span. \$30,000 has been budgeted to upgrade our meters for the 2009-2010 budget year. **Victor Schmidt** states that if the district eventually plans on upgrading to a radio read system we should plan for that now. He would like to know how much money will be saved if we upgrade to the radio read versus the touch read system. **Jeff Hargens** states that the radio read meters are a new technology which could create problems. He thinks that the district should begin advancing by taking slow steps.

UTILITY WORKER SCALE

Jeff Hargens states that the way the wage scale for utility workers is currently set up, the worker needs to have been employed with the district for 5 years in order to move from utility worker level I to utility worker level II. He states that the option to advance the employee to the next level should be recommended to the board of directors from the district manager, at which time they may choose to waive the time frame limitations. **Victor Schmidt** made a motion to start the process of implementing the eliminating of the time frame for employee advancement upon the managers recommendation to the board for approval, **Sonny Boyd** seconded, passed unanimously.

MONTHLY REPORTS

Secretary/Treasurer Financial Reports: Copies of the check, money market, CDARS, LGIP and PERS summaries were distributed to the members of the board. **Sonny Boyd** noticed on the credit card report that there was a charge from James Jans, which should have been a reimbursement check instead of a charge. **Jeff Hargens** made a motion to accept the financial reports as presented, **Robert Gaughan** seconded, passed unanimously.

Managers Report: See attached. **James Jans** states that he has been speaking with the Bureau of Land Management regarding removal of trees that have fallen over the driveway to the treatment plant. **Jeff Hargens** told him to speak with a logging company regarding free removal of the trees.

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PUBLIC COMMENTS

No public comments were made.

UNFINISHED ITEMS FOR BOARD CONSIDERATION

No comments were made.

ADJOURNMENT OF THE MEETING

Jeff Hargens made a motion to adjourn the meeting, **Robert Gaughan** seconded, passed unanimously. Meeting adjourned at 8:45 p.m.